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ABSTRACT

Findings and recommendations of a task force study of funding for small, public colleges in Colorado are detailed in this report. After Chapter I describes the funding and access problems facing the small Colorado colleges, Chapter II outlines the study's parameters, establishing a definition for small colleges, and considering the problems associated with small institutional size and the problems of formula budgeting which influenced the choice of budgetary parameters. Chapters III through VII look at core activities and appropriations in five budgetary areas and provide recommendations for funding. These chapters cover: (1) resident instruction; (2) general administrative expenses; (3) student services functions; (4) libraries, learning resource centers, and library materials; and (5) capital outlay expenditures. Chapter VIII outlines the areas excluded from the task force's recommendations and the reasons these budgetary areas were not covered. Chapter IX summarizes task force conclusions, which included the finding that current formula budgeting guidelines, with the exception of those for libraries, did not adequately address the lack of economies of scale associated with small colleges. Chapter X summarizes the task force's budgetary recommendations and proposed formulas, and an appendix illustrates the implementation of the recommendations. (KL)

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ED213459

# SMALL COLLEGE BUDGETING

A Funding Proposal Prepared By and For

Colorado's Small, Public Colleges

ANALYSTS' TECHNICAL REPORT

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Prepared by:

The Small College
Budgeting Task Force

December, 1978

## FORWARD

In June, 1978, a Task Force was organized for the express purpose of developing funding recommendations concerning the small, public colleges in Colorado. The Task Force convened on July 6, 1978, and met frequently thereafter in addressing its charge. Task Force members included:

| | |
|---|---|
| Leonard G. McLain | Adams State College |
| Charles W. Jordan | Lamar Community College |
| Gary Calhoun | Mesa College |
| Kenneth Hutchison | Morgan Community College |
| William C. Piquette | Otero Junior College |
| John Tarabino | Trinidad State Junior College |
| Wilbur Richardson | University of Southern Colorado (representing the two-year college on the Orman Campus) |
| James L. Buysse | State Board for Community Colleges and Occupational Education |
| Errol Giddings | Trustees of the State Colleges in Colorado |

The Task Force began by reviewing all budget areas. However, because of time constraints, only certain areas, primarily those related to staffing, were considered within the scope of the Task Force's initial effort. Other areas, such as "Resident Instruction Other Current Expenses," will be analyzed during the 1978-79 fiscal year.

This document provides the detail regarding the Task Force's findings and recommendations thus far. A second document presents a synopsis of this report for more general use. These documents will be presented to the Colorado Higher Education Formula Budgeting Committee, the Association of Public Colleges and University Presidents, the Colorado Association of Community Junior College Presidents, the Trustees of the State Colleges in Colorado and the Colorado State Board for Community Colleges and Occupational Education for their review and comment. The recommendations contained herein hopefully will be incorporated in current and future formula budgeting guidelines for use by the Colleges.

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# CHAPTER I

## INTRODUCTION

On February 1, 1978, the Colorado Commission on Higher Education issued a document entitled, "A Plan and A Process for Postsecondary Education in Colorado: Quality and Access, 1978-79 Through 1982-83." In addition to including statements of institutional role and mission, the Commission made policy recommendations in the document concerning a variety of issues within the Colorado postsecondary educational system. One such issue reflected the general themes of the Master Plan and was described as follows:

> Issue H: To What Extent Should the State Support Student Access in Rural Colorado?
>
> Background: An individual living in urban Colorado has access to a variety of publicly supported postsecondary educational opportunities. In fact, many students can often achieve most, if not all, of their educational goals without leaving their primary place of residence or current employment position. However, much of Colorado remains rural and is comprised of widely dispersed communities. As a result of limited population bases necessary for institutional support, student access is not as well developed in those areas. (Page V-23)

In its discussion and analysis of this issue, the Commission noted a basic problem common to and encountered by these institutions when it stated that:

> First, the rural postsecondary educational institutions are smaller than their urban counterparts. As a result, they tend to be relatively high cost institutions on a per full-time-equivalent (FTE) student basis. Because of their unfavorable position in FTE cost comparisons, legislative attention is focused upon appropriations for these institutions and their viability is often in question. Further, because tuition is derived from the per student cost, tuition rates are often higher than those of comparable urban institutions. This results in a declining spiral of lower enrollments, higher costs. (Page V-23)

With the advent of formula budgeting in Colorado postsecondary education, the problem of small institutional size has further manifested itself.

Currently developed formulae have either not specifically addressed the lack of economies of scale in such colleges (Resident Instruction Professional Staff), or, where small college variations exist, they have not been accepted by all State-level reviewing authorities (Library staffing and Learning Materials). This issue has also been recognized and acknowledged by the Joint Budget Committee in a statement in the "1978-79 Appropriations Report:"

> It is recognized that this formula (Resident Instruction Professional Staff) does not properly determine the level of faculty required by the four small community colleges, at which the current levels of staffing have been continued in anticipation of an adequate alternate formula being prepared for the following year. (Page 55)

In a similar vein, the Colorado Commission on Higher Education made a recommendation concerning rural access. As regards the small, rural colleges, the Commission noted that:

> It is recommended that the State support student access to the citizens in rural Colorado through the recognition of and endorsement of subsidies to selected institutions . . . beyond what is generally provided for in the appropriations process . . ." (Page V-23)

This document represents a response on the part of Colorado's small, public colleges to the above statements of the Colorado Commission on Higher Education and the Colorado General Assembly's Joint Budget Committee. It is the belief of the Small College Budgeting Task Force that the recommendations contained herein would provide a viable funding base for these institutions in several budget areas affected by institutional size. Further, the Task Force believes that the recommendations are reasonable, and that they reflect a conscious effort at preserving the fiscal integrity of the institutions involved in the study.

## CHAPTER II

## TASK FORCE PARAMETERS

Having discussed in a general way both the Small College Budgeting Task Force's charge and the problems associated with small institutional size, it seems appropriate at this juncture to briefly describe the parameters which were established for the study.

### Institutional Size

The first parameter addressed by the Task Force was that of institutional size, as it seemed both appropriate and necessary to define the composition of a small college. For purposes of this effort, a small college is defined as a non-doctoral granting institution with an enrollment level of 3,000 full-time-equivalent (FTE) students or less. This definition was derived from a consideration of the many factors involved, including, but not limited to, those noted below; additional information regarding the constraints faced by Colorado's small colleges is presented later in this document.

Small College Impact Factors:

1. Regardless of institutional size, the same administrative functions must be performed, a similar number of reports must be prepared and issued to external agencies, and compliance with the rules and regulations of various local, state, and federal agencies must be maintained.

2. Capital outlay needs are not solely related to institutional size but more appropriately reflect the requirements of the instructional programs offered, the administrative functions performed and so forth.

3. Facilities often have a greater impact on the small colleges in terms of average class size, plant maintenance and the like.

4. On a proportional basis, many smaller classes must be offered so that students may successfully complete their programs in a timely manner.

5. A variety of services (e.g. counseling, advising, library, etc.) must be provided for the students regardless of overall enrollment and student demand levels.

Based upon the above definition of a small college, the following institutions were included as a part of the study:

| | FY 1978-79 Appropriated FTE Enrollments |
|---|---|
| Adams State College | 2,450 |
| Lamar Community College | 475 |
| Mesa College | 2,870 |
| Morgan Community College | 325 |
| Otero Junior College | 620 |
| Trinidad State Junior College | 1,200 |
| University of Southern Colorado - Orman Campus | 700 |

It should be noted here that one college (USC-Orman) is a small, urban institution, and two (Adams and Mesa) are small, baccalaureate granting institutions. Although these colleges do not meet the criteria noted in both the CCHE and JBC statements presented in Chapter I, it was the opinion of the Task Force that they should be included in the study, since they share the problems and constraints listed above.

Budgetary Parameters

Based upon a review of current budgeting practices in Colorado post-secondary education, the Task Force concurred with the CCHE observation cited in Chapter I regarding cost comparisons. This conclusion is based upon the following considerations:

1. In cost and staffing comparisons with larger institutions, differences in economies of scale are not addressed.

2. In comparisons made between the small colleges, the implicit assumptions that current funding levels are adequate and that the institutions are similar in program and structure preclude the recognition of the unique needs and characteristics of these institutions.

3. The current budget system focuses more on the items purchased than on the activities which must be performed and the workloads associated therewith.

Additionally, a variety of problems associated with formula budgeting were noted by the Task Force. These include:

1. Formulae are generally presented as mathematical equations, although their structure may vary. Unfortunately, however, it is difficult to account for varying scales of operation within one equation, especially when Colorado's public postsecondary educational institutions vary in enrollment size from 325 FTE to approximately 20,000 FTE students. As a result, foundation or core funding sufficient to cover those functions which must be performed regardless of size is often not provided by the formulae unless economies of scale are specifically addressed. Thus far in Colorado, explicit formula variations for this purpose have not been adequately developed.

2. Formulae are usually linear in nature, especially when based upon enrollments. Thus, the need for start-up costs is not addressed, such costs often being beyond the budgetary flexibility available in a small college. Additionally, such formulae pose constraints on institutions in periods of declining enrollments, as such declines are spread throughout course offerings rather than being isolated in particular programs. Further, administrative functions must still be performed despite such declines.

Based upon this review of Colorado's postsecondary education budget process, the Task Force established a conceptual approach for analyzing the

funding needs of small colleges. First, each line item area would be reviewed for purposes of determining which should be included within the scope of the study. Those selected for immediate study and recommendation, after considering the time constraints associated with the preparation of FY 1979-80 operating budget request documents FY 1977-78 audits and related efforts included:

Resident Instruction Professional Staff
Resident Instruction Travel
General Administration Staffing
Student Services Staffing
Library Staffing
Learning Materials
Capital Outlay

The rationale for including the above areas while excluding others is presented in Chapter VIII in this document.

Additionally, the Task Force concluded that its study should include a detailed review of the functions which must be performed at each institution and the problems and needs of each institution associated therewith. Subsequently, an approach could hopefully be developed for each area which would address the functions, problems, and needs of the colleges involved in the study, but which would be common for all institutions for ease of use and understanding at the State level. In so doing, the Task Force decided that whatever approaches were developed, they should provide needed assistance for an improvement in college operations but should not reflect utopian solutions. Finally, it became apparent that the institutions should maintain the prerogative of a one-, two-, or multi-year implementation of the requested increases in each area.

## CHAPTER III

## RESIDENT INSTRUCTION

Appropriations for resident instruction are currently made in four line items: (1) professional staff; (2) support staff; (3) other current expenses; and (4) travel. For purposes of this effort, the Small College Budgeting Task Force elected not to make recommendations in the areas of "staff compensation levels, support staff and other current expenses." The rationale for this decision is discussed in Chapter VIII of this document.

### Professional Staff

The resident instruction professional staff line item includes funding for instructional administration, teaching faculty, non-faculty professional academic personnel and faculty on sabbatical leaves. The line item is also accompanied by the authorization of FTE positions, some of which are specified in the annual "Appropriations Report" as part-time. Additionally, all positions are equated to 9-10 month FTE's.

In addressing the needs of small colleges for resident instruction professional staff, the Task Force reviewed the course and program offerings at each institution. Based upon this review, the following factors were observed:

1. That a core staff was necessary in two-year academic degree programs to provide a sufficient breadth of course offerings so that student completers could successfully transfer into baccalaureate programs;

2. That the range and complexity of course/program offerings and the effect of enrollment size thereon dictate certain staffing levels;

3. That needs for full-time and part-time staff varied among the colleges;

4. That the relatively small staff sizes did not allow for the flexibility needed for developing and implementing new programs;

5. That significant constraints were placed on these institutions, as compared to their larger counterparts, in granting sabbaticals, providing in-service training opportunities and the like; and

6. That regardless of institutional size, the function of instructional administration and evaluation must be performed.

Additionally, the aforementioned review also provided a listing of the basic functions which are performed by the resident instruction professional staff. The list includes:

Academic Administration
Vocational Administration
Curriculum Research, Planning, Development and Implementation
Instruction -- Academic, Vocational, Remedial and Graduate
Program Review and Evaluation
Student Advising and Tutoring
Instructional Design and Teaching Methods
Text Selection
Staff Selection and Evaluation
Audio-visual Activities
Interaction with Library Staff -- Library Collections
Sponsoring of Student Organizations
Committees: Academic Standards, Curriculum, etc.
Cooperative Programming with Other Institutions

Having made the aforementioned review, the Task Force then directed its attention towards the development of a formula which was applicable to each of the small colleges and which also would address the factors noted above. As a first step, the postsecondary education community's formula budgeting guidelines for the determination of needed resident instruction professional staff were analyzed. It was the consensus of the Task Force that, while the guidelines did not address the lack of economies of scale in small colleges, they did adequately recognize program differences. Therefore, it was decided that the guidelines would be utilized as a part of the small college formula.

Concerning economies of scale, the following constraints were observed:

1. A lack of flexibility in terms of program research, planning, development and implementation, as sufficient staff are not available for such purposes to the extent required;

2. That academic/vocational administration must be performed regardless of size, and that in small colleges a greater share of instructional FTE must be allocated for this purpose than in larger institutions;

3. That facilities often pose a greater constraint in small colleges, as large classrooms (i.e. for 75 or more students) are not as available, and, therefore, larger classes cannot be offered in sufficient numbers to offset the impact of smaller classes;

4. That small classes must often be offered to allow students the opportunity to complete degree requirements within their scheduled timetables;

5. That small class sizes are dictated by external agencies in certain program areas, e.g. nursing;

6. That in some instances, because of facilities constraints, program complexities and the like, a class section may have to be separated into two sections to accommodate student demand -- as a result, however, neither section is as large as could be under other circumstances nor are they as large as the formula budgeting guidelines would imply;

7. The diversified types of student bodies served by the institutions included within the study do not adapt readily to homogeneous groupings and large classes;

8. The presence of high-risk students on these campuses necessitates lower student/faculty ratios in some areas which, again, are difficult to offset with large class sizes in other program offerings;

9. The offering of vocational programs in these colleges, some of which require lower student/faculty ratios, has a greater impact on the overall ratio than in larger institutions;

10. That less flexibility in instructional programming exists in these colleges because of smaller numbers of part-time staff, the fact that fewer such staff are available within the rural communities and the virtual absence of teaching assistants; and

11. That even where some large classrooms are available, total enrollment size does not allow for very large classes which would otherwise offset the smaller classes resulting from the factors noted in the items above.

Based upon this analysis, the Task Force developed an approach which addressed these issues and resolved the constraints associated therewith. The approach provides a step-function technique which recognizes differences in economies of scale associated with enrollment size and is as follows:

1. For institutions with an enrollment level within the range of 0-750 FTE students, 120% of the formula-generated professional staff FTE are required.

2. For institutions with an enrollment level within the range of 751-1,500 FTE students, 118% of the formula-generated professional staff FTE are required.

3. For institutions with an enrollment level within the range of 1,501-3,000 FTE students, 105% of the formula-generated professional staff FTE are required.

Additionally, it was the conclusion of the Task Force that the composition of staff increases generated by the formula (i.e. full-time/part-time) should remain the prerogative of the colleges.

Travel

Resident instruction travel includes funding for professional administrative purposes, professional development, instructional travel by faculty and/or students and the like, with student-related travel consuming a rather large share of available resources. The dilemma of Colorado's small colleges concerning this line item in two-fold. First, each of the institutions in this study is located some distance from Denver (65-248 miles). Although the distance factor has been addressed in the development of previous appropriations, it is the contention of the Task Force that related allowances have not proven sufficient as they have not provided for all of the following factors:

1. That the distances involved generate greater cost differentials than those provided in appropriations when applying the legislatively approved mileage rates;

2. That costs of overnight lodging and meals must often be incurred, but related cost differentials are not funded;

3. That air travel must be utilized in some instances;

4. That the roles of these institutions per the CCHE Master Plan require that they deliver services in broad geographic areas; and

5. That the per diem rates established by the State's fiscal rules have increased by approximately 14% from FY 1977-78 to FY 1978-79.

The second problem encountered by these institutions is related to the size of the resident instruction professional staff. As these institutions have relatively small numbers of FTE positions in this category, the utilization of amounts per FTE position in developing appropriations does not provide a sufficient pool of resources to cover the cost of service area instructional travel, necessary instructional administration travel and so on.

For example, if two institutions are provided $100 per FTE, but one has a staff two times larger than the other, then the larger institution has a pool of resources available for travel that is likewise twice as large. Thus, in this example the larger college can cover the quasi-fixed travel costs (e.g. administrative), which do not vary in direct proportion to staff size, and still maintain additional flexibility in providing travel funds for instructional and professional development purposes. The smaller college does not enjoy such flexibility.

To address the travel needs of Colorado's small colleges, the Task Force therefore analyzed the impacts of the above constraints vis a vis institutional perceptions of need. A formula was then developed which recognized staff and institutional size and geographical distance. The formula is as follows:

$$A + [(B \times [C \times D]) \times E] = \textit{Resident Instruction Travel}$$

*A = Foundation travel*

*B = Distance factor*

*C = Current year travel amount per FTE position*

*D = Travel adjustment factor (for changes in per diem and/or mileage rates)*

*E = Number of resident instructional professional staff FTE*

Within the formula, foundation travel is designed to provide the quasi-fixed costs mentioned above and, concurrently, to allow for additional flexibility in travel budgets. As in the case of professional staff, the institutions have been divided into three enrollment ranges:

| FTE Students | Foundation Travel |
|---|---|
| 0- 750 | $1,500 |
| 751-1,500 | 2,500 |
| 1,501-3,000 | 3,500 |

The increasing amounts reflect the increases in administrative functions and staff associated with larger enrollment levels.

The colleges were also divided into three categories for addressing the impacts of geographical distance.

| Distance from Denver | Distance Factor |
|---|---|
| 50-125 | 110% |
| 126-200 | 120% |
| over 200 | 125% |

The distance factors account for costs associated with lodging, air travel and the like.

Recommendations

Based upon the foregoing review and analysis, the following recommendations are made:

1. *Professional Staff --*

   a. *That the higher education formula budgeting guidelines for the determination of resident instruction professional staff FTE should be utilized in completing the request year column of Budget Format 50M;*

   b. *That additional staff are needed at Colorado's small colleges as follows:*

| *Enrollment Range* | *Staffing Level* |
|---|---|
| *0- 750 FTE students* | *120% of the formula-driven staffing level* |
| *751-1,500 FTE students* | *118% of the formula-driven staffing level* |
| *1,501-3,000 FTE students* | *105% of the formula-driven staffing level* |

   b. *That additional staff are required for institutions with special programs, such as Otero Junior College's Directed Studies program and the transitional phase to baccalureate status at Mesa College; and*

   c. *That professional staff positions funded from indirect cost recoveries and intercollegiate athletics should be added to the staffing level derived for each institution from the above.*

2. *Travel --*

*That the following formula and matrix be utilized in requesting and developing appropriations for resident instruction travel:*

*A + [(B x (C x D]) x E] = Resident Instruction Travel*

*A = Foundation travel*

*B = Distance factor*

*C = Current year, in this instance FY 1978-79, travel amount per FTE provided in the Long Bill*

*D = Travel adjustment factor for changes in per diem as specified in the State's fiscal rules and/or changes in the mileage allowance. For FY 1979-80, a 14% adjustment is necessary to reflect such increases*

*E = Number of request year resident instruction professional staff FTE provided in the appropriations measure.*

| Institutional Size - FTE Students | 0-750 | 751-1,500 | 1,501-3,000 | Distance Factor |
|---|---|---|---|---|
| Mileage from Denver<br>50-125 | Morgan Community Col.<br>Univ. of So. Colo.- Orman Campus | | | 110% |
| 126-200 | Otero Junior College | Trinidad State College | | 120% |
| Over 200 | Lamar Community Col. | | Adams State College<br>Mesa College | 125% |
| Foundation Travel | $1,500 | $2,500 | $3,500 | |

## CHAPTER IV

## GENERAL ADMINISTRATION

In the functional area of general administration, the Small College Budgeting Task Force concentrated on the level of administrative staffing required in a postsecondary educational institution. Other objects of expenditure, such as travel, other current expenses and staff compensation levels, were not specifically addressed for the reasons articulated in Chapter VIII.

In recent years, general administrative expenses have been funded in the Long Bill through either a general administration or the more aggregated instructional support line item. Such funding is provided for the performance of the following functions:

- Executive Management
- Institutional Research
- Planning -- Budget, Long-Range, Physical
- Administration
- Personnel
- Budgeting
- Accounting
- Auditing
- Public Information
- Development
- Payroll
- Purchasing
- Inventory Control
- Property Management
- Alumni Relations
- Cashier
- Bursar
- Central Switchboard
- Printing/Reprographics
- External Reporting
- Affirmative Action

Thus, the General Administration area encompasses a wide range of functions, all of which must be performed if a college is to maintain operational efficiency and effectiveness. Additionally, other projects required by various agencies, e.g. zero-base budget reviews, "504" reports and the like, must be conducted each year. In considering the staff size necessary to fulfill these responsibilities, the Task Force addressed the workload involved in each. Based upon this review, the following positions were deemed imperative:

| Position | FTE | Primary Functions |
|---|---|---|
| President | 1.0 | Executive Management |
| Chief Business Officer | 1.0 | Administration, Personnel, Budgeting Purchasing, Development |
| Chief Accountant | 1.0 | Accounting, Auditing, Inventory Control |

Further, the core staff would be either directly or indirectly responsible for the other functions noted in the listing, but additional workload allocations assigned to individual staff members would remain the responsibility of the colleges. This approach would therefore allow for differences in management style, expertise and the like. The Task Force also recognized the need for secretarial/clerical services, support assistance and the performance of activities in other areas, such as cashiering, the central switchboard, payroll and reprographics, by recommending that 4.0 FTE staff be included within the core staffing level.

In terms of staff increases beyond the core level, the Task Force concluded that the dollar volume of State appropriations, defined as the sum of funds provided in the Long Bill and from central pot allocations and CCHE State student aid distributions, seemed the most appropriate workload index. This conclusion is based on the fact that, after adjusting for inflation, increases in dollar volume are related to workload increases associated with:

1. Increases in students (cashiering, receivables, reprographics and the like);

2. Increases in staff size (personnel, payroll, accounting and so forth);

3. Increases in the quantity of goods purchased (purchasing, accounting, budgeting, inventory control, etc.); and

4. A greater need for activities such as institutional research and planning.

The Task Force then addressed the number of additional staff which would be required for increases in workload associated with dollar volume changes. Based upon institutional analyses, it was determined that the core staffing level would be sufficient for a base funding level of $1 million in FY 1978-79 dollars. Thereafter, for each increase in State appropriations of $.1 million, .3 FTE position would be required. Further, in the Task Force's judgement, each such increase in staff should also be accompanied by a 10% allowance for additional hourly staff. It should also be noted that since the base funding level and the size of the dollar increments are related to current year (FY 1978-79) expenditure levels, they must be adjusted annually for inflationary increases, so that only "real" spending increases are reflected in the formula.

Finally, as administrative staff in some of the institutions are funded from indirect cost recoveries, for efforts beyond those funded via State appropriations, it is the opinion of the Task Force that such positions should be added to the FTE staffing level generated by the above formula.

Recommendations

Based upon the foregoing review and analysis, the following recommendations, which are translated to formulae in Section X of this document, are made:

1. *That a core administrative staff includes:*

| | |
|---|---|
| *President* | *1.0 FTE* |
| *Chief Business Officer* | *1.0 FTE* |
| *Chief Accountant* | *1.0 FTE* |
| *Clerical/Support Staff* | *4.0 FTE* |
| | *7.0 FTE* |

2. *That additional staff are needed in proportion to both greater enrollment levels and related increases in appropriations;*

3. *That an additional .33 FTE staff are needed for each increment of $.1 million above an appropriation base level of $1 million, with the appropriation base level including funds provided through the Long Bill, central pot allocations and CCHE State student aid distributions;*

4. *That FTE positions funded from indirect cost recoveries should be added to the staffing level derived for each institution from the above;*

5. *That the base funding level and the size of the dollar increments should be adjusted annually to reflect the impact of inflationary increases;*

6. *That decisions concerning the exempt/classified/hourly staff mix should remain the prerogative of the colleges; and*

7. *That total compensation provided each institution should reflect the prevailing exempt/classified/hourly staff mix and average compensation levels at the college.*

## CHAPTER V

## STUDENT SERVICES

As in the case of general administration, the Small College Budgeting Task Force primarily addressed the staffing level required for the performance of those activities generally associated with the student services function. Budget requests concerning other items, i.e. staff compensation levels, other current expenses and travel, remain the prerogative of the institutions, and the rationale for this conclusion is discussed in Chapter VIII.

The student services function consists of a wide variety of activities which, when taken in total, represent a vital adjunct to the educational process. Those activities include:

- Administration
- Admissions
- Registration
- Financial Aids
- Counseling
- Guidance
- Job Placement
- Special Services (e.g. veterans, foreign students, disadvantaged, handicapped and the like)
- Job Development
- Student Records
- Student Housing & Food Services
- Student Health Services
- Contacts with area high schools
- Student Activities, Recreation & Cultural Events

As the reader will note, this listing is rather lengthy and denotes the need for a wide range of expertise. Moreover, all of these activities must be performed in a postsecondary educational institution regardless of institutional size. Additionally, student services workloads in the institutions included in this study are also heavily impacted by the facts that most are residential in nature and that they serve students possessing widely diverse backgrounds and characteristics. It was the conclusion of the Task Force, therefore, that sufficient staff must be provided to encompass the required range in workload and expertise dictated by the above.

Based upon a review of the small colleges, it seemed that a core staff included the following positions:

| Position | FTE | Primary Activities |
|---|---|---|
| Dean of Students | 1.0 | Administration |
| Admissions/Registration | 1.0 | Admissions, Registration, Student Records |
| Counseling/Guidance | 1.0 | Counseling, Guidance |
| Financial Aids | .5 | Financial Aids |
| Job Placement | .5 | Job Placement, Job Development |

Additionally, the core staff would also be responsible for performing the other activities noted in the listing, but workload conditions would be assigned to staff members based on institutional perceptions of workload and expertise. Thus, such allocations remain the responsibility of the institutions.

It was also the opinion of the Task Force that 2.6 FTE would be needed for support functions. Activities associated with these staff members would be primarily secretarial/clerical in nature but would also include efforts in support of the professional services provided within this budget category.

Having established the core staff size, the Task Force then addressed the addition of staff for workload increases. The major factors which impact student services' workloads are the enrollment level, the characteristics of the student body and whether an institution is residential or commuter in nature.

Based upon the Task Force's analysis, it was determined that the core staff size was sufficient for colleges of 500 FTE students or less. Beyond that level, the number of student FTE was selected as a proxy for workload increases. The Task Force chose this variable for the following reasons:

1. Although headcount students are a better measure of potential student demand for services, the rural colleges are generally residential in nature, and students on such campuses tend to carry higher credit hour loads than those enrolling in commuter institutions.

2. As student body characteristics are difficult to equate to workload and because such characteristics are roughly comparable in Colorado's small colleges, the number of student FTE seemed a reasonable basis for estimating service demand.

Based upon institutional reviews, the Task Force determined that a 1.0 FTE staff position should be added for each additional increment of 160 FTE students. Additionally, in the Task Force's opinion, for each such increase in staff, an allowance of 10% should also be provided in hourly support staff.

Finally, as student services positions are funded from indirect cost recoveries in some of the institutions, it was the judgment of the Task Force that such FTE positions should be added to the FTE generated by the above to account for these activities.

Recommendations

Based upon the foregoing review and analysis, the following recommendations, which are translated to formulae in Section X of this document, are made:

1. *That the core enrollment size for the student services function is 500 FTE students or less;*

2. *That the core staff required at an institution of 500 FTE students or less includes:*

| | |
|---|---|
| *Dean of Students* | *1.0 FTE* |
| *Admissions/Registration* | *1.0 FTE* |
| *Counseling/Guidance* | *1.0 FTE* |
| *Financial Aids* | *.5 FTE* |
| *Placement* | *.5 FTE* |
| *Clerical/Support Staff* | *2.6 FTE* |
| | *6.6 FTE* |

3. *That additional staff are needed in proportion to greater FTE enrollment levels;*

4. *That for institutions with an enrollment greater than 500 FTE students, an additional 1.1 FTE staff, are needed for each increment of 160 FTE students above the core enrollment level;*

5. *That FTE positions funded through indirect cost recoveries should be added to the staffing level derived for each institution from the above;*

6. *That the institutions should maintain the prerogative of determining the exempt/classified/hourly staff mix; and*

7. *That total compensation should be provided to each institution in an amount necessary to reflect the exempt/classified/hourly staff mix and the prevailing average compensation levels at the college.*

# CHAPTER VI

# LIBRARIES - LEARNING RESOURCE CENTERS; LEARNING MATERIALS

The library or learning resource center is a critical component of any educational institution. Its primary functions are to deliver services to students and to assist the educational process through the provision of access to educational materials of a general or specialized nature. Learning materials, sometimes referred to as library acquisitions, is the term used in the appropriations process to denote educational materials and includes expenditures for print (i.e. books, periodicals, and the like) and nonprint (i.e. film, slides, audio recordings, and so forth) materials.

## Library Operations

The dilemma of the small college is that all required library functions are not directly related to the number of students enrolled. The basic functions which must be performed in a library include:

1. Administration.
2. Materials and equipment purchasing and billings.
3. Binding.
4. Cataloguing.
5. Shelving.
6. Circulation.
7. Assignment/distribution.
8. Materials and equipment maintenance.
9. Instructional design -- media.
10. Program production -- media.
11. Faculty assistance -- methods and materials.
12. Bibliographic instruction.

Whereas some of the above functions must be maintained regardless of the number of students enrolled at the college (e.g. administration), others can experience workload increases over a base level related to expanded enrollments, the numbers of faculty and staff, the emphasis placed upon media services, the number of volumes purchased, the size of the library's collection, the hours of operation and the like.

Learning Materials

The number of volumes purchased is in some ways related to the enrollment level at an institution. However, other factors must also be considered. These include: (1) the adequacy of the collection; (2) the number and kinds of programs offered; (3) the type of clientele served; and (4) the proximity to other libraries. As Colorado's small colleges are predominantly rural, access to other library collections is far more limited than in urban areas. Yet, the breadth of course and program offerings at these institutions dictates a minimum number of volumes which must be purchased.

Additionally, the average cost per volume equivalent will vary among the institutions. Average cost can be impacted by program requirements, the kinds of students served, the use of microforms and media services and so forth. Further, the operational style of the institution can also affect average volume equivalent cost. Finally, it should be noted that in a small college, high cost volumes have a greater weighting effect on the average cost than in larger institutions.

Recommendations

Based upon the review and analysis of the Small College Budgeting Task Force, it is

*recommended that the currently developed formulae and small college formula variations for library/learning*

*resource centers staffing and learning materials be utilized at the 100% level in developing appropriations for these budget areas. The Task Force further recommends that the institutions maintain the prerogative of determining the exempt/classified/hourly mix of appropriated FTE staff and that corresponding compensation levels be provided in appropriations.*

## CHAPTER VII

## CAPITAL OUTLAY

Capital outlay expenditures are incurred for the benefits to be derived therefrom. Items included within this object of expenditure are:

1. Minor remodeling and improvements;
2. Equipment replacement and updating;
3. Motorized vehicles and other general purpose quipment;
4. New equipment related to program changes and additions or expanded enrollments; and
5. Data processing equipment.

Colorado's small colleges have been confronted with a variety of problems regarding capital outlay funding in recent years. First, these institutions share with their counterparts a need for equipment replacement. This need is now becoming rather acute throughout the State's postsecondary educational system and in other areas of State government as well, as evidenced in recent months by numerous expressions of concern about the deteriorating condition of equipment inventories.

A second problem, which was mentioned briefly in Chapter II, is derived from the fact that capital outlay funding has generally been related to enrollment levels and has represented a balancing item in institutional appropriations. As a result, capital outlay funding has remained relatively low in the State's smaller colleges and, in some cases, has been minimal (as low as $8,125). Capital outlay requirements, however, are actually determined by program needs, the functions which must be performed, the current condition and capabilities of data processing equipment and so forth. Further, when used as a balancing item, appropriations cannot be related to replacement needs and start-up costs nor do they provide an adequate pool of

resources, when computed on a per FTE basis, to cover the variety of equipment needs.

Third, all but one of the small colleges are engaged in vocational education programming. Such efforts require the provision of "hands-on" training to the students, if the students are to be successful in their programs and readily employable thereafter. Additionally, vocational equipment must be comparable to that used in industrial settings. However, many items of equipment are extremely expensive and, in effect, exceed resources available for this purpose. It should also be noted here that the two-year college in Pueblo will be a "vocational" community college, a fact which precludes using an enrollment-related approach.

A fourth area of difficulty in this regard concerns geographical location. The small institutions are located anywhere from 65 to 248 miles from Denver. They are also charged with the delivery of educational services to rather large geographic areas. These conditions have a significant impact on vehicular costs, both of an operating and capital nautre, and shipping charges.

Finally, inflation has further aggravated the above problems. Funds provided to the small colleges, excluding the USC-Orman Campus, for FY 1978-79 capital outlay expenditures have decreased by 11.6% since FY 1976-77 and 31.4% since FY 1974-75. When coupled with the decline in purchasing power experienced during this time period, the erosion in the colleges' abilities to meet program and replacement needs is significant.

Recommendations

Because of the variety of factors involved and the time constraints of the Small College Formula Budgeting Task Force, recommendations for capital outlay funding have not been developed at the time of this writing. Additionally, it is hoped that the recent recognition of Statewide capital outlay

funding needs by various State officials and the FY 1978-79 postsecondary education capital outlay zero-base budget review of this expenditure category will yield an improvement in the current funding approach. If this does not occur, the Task Force will pursue further this budget item. In any event, it is hoped that the capital outlay needs of the State's small colleges will be more adequately addressed in the future.

## CHAPTER VIII

## OTHER BUDGET AREAS

For a variety of reasons, several budget areas were considered beyond the scope of this effort, and therefore recommendations were not made at this time. However, the Task Force did address these areas and believed it important to state the reasons for their exclusion. Further, it should be noted that some of these areas will be pursued later in the 1978-79 fiscal year.

### Resident Instruction Support Staff

Each institution differed in the organization of its instructional program. Additionally, the number and kinds of programs offered, the number of teaching faculty and instructional administrators and the need for clerical, academic and vocational laboratory and audio-visual support staff also varied. Therefore, in the judgment of the Task Force, the institutions should articulate their own unique needs for resident instruction support staff in their FY 1979-80 operating budget request documents.

### Resident Instruction -- Other Current Expenses

Although enrollment levels are related to this object of expenditure, funding needs are also impacted by the kinds of programs offered, the mix of fixed and variable expenses, the mode of operation and expenditure allocation and so forth. Thus, here again, the Task Force believed it the responsibility of the institutions to justify their expenditure requirements in this budget category for the forthcoming fiscal year.

Other Current Expenses and Travel -- General Administration, Student Services Libraries

Expenditure needs for other current expenses and travel in the functional areas of general administration, student services and libraries are related to the activities which must be performed and the number of students which must be served. However, the Task Force chose not to make recommendations in these areas because these expenditures are also related to staff size, the kinds of students served, the availability of data processing services and the like. As a result, each institution shall present and justify its operating budget requests in these areas.

Data Processing Services

Recommendations were not made in this area, as the amounts and kinds of services provided varied dramatically among the institutions. This situation is the result of the presence or lack of data processing equipment, the age and condition of the equipment, the capabilities of the current hardware inventory and so on. Thus, each institution shall develop its own data processing services budget request.

Physical Plant Operation and Maintenance

Although physical plant operation and maintenance is impacted by the amount of student traffic experienced at the institution, which itself is a product of enrollment size, length of day and so forth, the number and variety of other factors which are involved resulted in the Task Force electing not to develop recommendations in this budget area. First, the amount of gross square feet which must be maintained, the level and condition of the inventory and the campus acreage all have a direct relationship to the staffing and funding requirements of an institution. The age, condition, and manner of

construction of the facilities also have a bearing on maintenance and utilities needs. Other factors which prevented a recommendation included the availability of air conditioning, the kind of heating system in use, climate, the need for and mode of security operations and the like. Finally, a higher education formula budgeting committee has been organized to study this functional area. Therefore, the Task Force decided to await the product of that committee and to then determine its appropriateness for Colorado's small colleges. In the meantime, each college shall develop and justify its physical plant operation and maintenance budget requests.

Rentals

Each institution has its own unique rental needs, and therefore this area did not lend itself to recommendation by the Task Force. Here again, several impacting factors were noted, including local rental rates, the availability of permanent facilities, the kinds of facilities required and so on.

Extraordinary Items

Expenditure requests in this area generally reflect the need for one-time appropriations, and such requests are only infrequently made by the institutions. Therefore, the Task Force could not develop recommendations for extraordinary item budget requests. This responsibility shall remain with the institutions.

## CHAPTER IX

## SUMMARY AND CONCLUSIONS

### Summary

The Small College Budgeting Task Force was organized for the express purpose of analyzing the operational constraints and budgetary needs of Colorado's small, public institutions of postsecondary education. The Task Force met several times during the Summer of 1978 in addressing its charge. Although the Task Force briefly reviewed all budget areas, only several were selected for further research because of the time constraints of the individuals involved. It is anticipated that areas excluded at this time will be analyzed by the Task Force later in the 1978-79 fiscal year.

The recommendations which the Task Force has developed thus far have now been incorporated in the small colleges' FY 1979-80 operating budget request documents. Additionally, the Task Force's findings and recommendations have been summarized into two documents, a synopsis for general distribution and use and an analysts' technical document which presents supporting justifications.

### Conclusions

The research, analyses and deliberations of the Small College Budgeting Task Force have provided the basis for the following conclusions:

1. A small college should be defined as a non-doctoral granting institution of 3,000 FTE students or less. This conclusion is based upon an analysis of the economies of scale achievable with larger enrollment levels and the offering of doctoral programs.

2. Based upon the foregoing definition, the institutions included in the small college category at the time of this writing are:

Adams State College
Lamar Community College
Mesa College
Morgan Community College
Otero Junior College
Trinidad State Junior College
USC-Orman Campus

Additionally, it should be noted that, over time, one or more of these institutions may no longer be included as a member of the group and that other colleges may be added.

3. The currently developed postsecondary education formula budgeting guidelines, with the exception of libraries and library acquisitions, do not adequately address the lack of economies of scale associated with the small colleges.

4. The fact that fixed costs comprise a greater percentage of total costs at a small college, as compared to larger institutions, is seldom addressed in State level budgetary deliberations. Additionally, this problem is further compounded by the emphasis placed on per FTE costs and FTE cost comparisons in lieu of total cost analysis, since fixed costs must be spread across fewer units even though total appropriations are relatively small in these institutions.

5. Staffing levels are also heavily impacted by present modes of analysis. Small colleges must maintain a sufficient breadth of course offerings if their educational programs are to remain viable and attractive, a fact which is not readily apparent in interinstitutional student/faculty ratio comparisons. Support areas are similarly impacted, as many of the same functions must be performed regardless of institutional size, a fact which dictates certain core staff sizes in these areas.

6. The geographical locations of Colorado's small colleges present special budgetary needs related to climate, distance and the like, needs which are somewhat obscured in present analyses.

7. As the institutions included in the small college category vary in terms of their budgetary needs vis a vis current appropriation levels, it was concluded that each such institution should determine its own plan for implementing the Task Force's recommendations.

## CHAPTER X

## RECOMMENDATIONS

Based upon the Small College Budgeting Task Force's review and analysis, the recommendations noted below are made. An illustration of the implementation of these recommendations is presented in the appendix. Should additional recommendations be developed for other budget areas following resumption of the Task Force's activities, they shall be incorporated herein.

### RECOMMENDATION A: DEFINITION OF A SMALL POSTSECONDARY EDUCATIONAL INSTITUTION

It is recommended that the following definition be adopted for use in Colorado postsecondary education budgeting:

> *A small college is defined as a non-doctoral granting institution with an enrollment size of 3,000 FTE students or less.*

### RECOMMENDATION B: RESIDENT INSTRUCTION PROFESSIONAL STAFF

It is recommended that the following formulae and related provisions be utilized in determining resident instruction professional staff FTE and funding:

1. *Staffing —*

   *A x B = Resident Instruction Professional Staff FTE*

   *A = FTE derived from the utilization of the postsecondary education community's formula budgeting guidelines*

   *B = Small college adjustment factor, as determined from the following table:*

| *Institutional Enrollment Size* | *Small College Adjustment Factor* |
|---|---|
| *0-750 FTE students* | *120%* |
| *751-1,500 FTE students* | *118%* |
| *1,501-3,000 FTE students* | *105%* |

2. *The prerogative of determining the full-time/part-time mix of resident instruction professional staff should remain with the institutions.*

3. *The institutions should maintain the flexibility of requesting formula variations for special circumstances, such as the shift from two-year to baccalaureate status at Mesa College, Otero's Directed Studies program, indirect cost recovery staff and appropriated FTE staff allocated to intercollegiate athletics.*

4. *Total Compensation --*

*(C x D) + (E x F) = Total Compensation*

*C = Full-time resident instruction professional staff FTE as determined in steps 1-3*

*D = Average compensation for full-time FTE staff at the college*

*E = Part-time resident instruction professional staff FTE as determined in steps 1-3*

*F = Average compensation for part-time FTE staff at the college*

RECOMMENDATION C: RESIDENT INSTRUCTION TRAVEL

It is recommended that the following formula and matrix be utilized in determining resident instruction travel:

*A + [(B x [C x D]) x E] = Resident Instruction Travel*

*A = Foundation travel*

*B = Distance factor*

*C = Travel amount per resident instruction professional staff FTE as determined from the current year's Long Bill*

*D = Adjustment factor used to reflect changes in per diem and/or mileage rates (114% for FY 1979-80)*

*E = Number of resident instruction professional staff FTE determined in step 1 of Recommendation B*

| *Institutional Size - FTE Students* | *0-750* | *751-1,500* | *1,501-3,000* | *Distance Factor* |
|---|---|---|---|---|
| *Mileage from Denver:* | | | | |
| *50-125* | *Morgan Community Col. Univ. of So. Colo.- Orman Campus* | | | *110%* |
| *126-200* | *Otero Junior College* | *Trinidad State Jr. College* | | *120%* |
| *Over 200* | *Lamar Community Col.* | | *Adams State College Mesa College* | *125%* |
| *Foundation Travel* | *$1,500* | *$2,500* | *$3,500* | |

RECOMMENDATION D: GENERAL ADMINISTRATION STAFFING

It is recommended that the following formulae and related provisions be utilized in determining general administration staff FTE and related funding:

1. *Staffing --*

$$A + \left[B \times \left(\frac{C - D}{E}\right)\right] + F = \text{General Administration Staff FTE}$$

*A = Core administrative staff comprised of:*

| | |
|---|---|
| *President* | *1.0 FTE* |
| *Chief Business Officer* | *1.0 FTE* |
| *Chief Accountant* | *1.0 FTE* |
| *Clerical/Support Staff* | *4.0 FTE* |
| | *7.0 FTE* |

*B = .33 FTE for each increment above the base funding level*

*C = Current year appropriation for the college, comprised of funds provided in the Long Bill and from central pot allocations and CCHE State student aid distributions*

*D = Base funding level ($1,000,000 for FY 1979-80)*

*E = Size of dollar increments above the base funding level (for FY 1979-80, each increment shall equal $100,000)*

$\frac{C - D}{E}$ = *Number of dollar increments above the base funding level*

*F = Indirect cost recovery staff FTE*

2. *Decisions concerning the mix of exempt, classified and hourly staff should remain the prerogative of the institutions.*

3. *The base funding level and the size of the dollar increments should be adjusted annually to account for inflationary increases.*

4. *Compensation --*

$(G \times H) + (I \times J) + (K \times L)$ = *Total Compensation*

*G = Number of exempt staff FTE determined from steps 1 and 2*

*H = Average compensation for exempt staff FTE at the college*

*I = Number of classified staff FTE determined from steps 1 and 2*

*J = Average compensation for classified staff FTE at the college*

*K = Number of hourly staff FTE determined from steps 1 and 2*

*L = Average compensation for hourly staff FTE at the college*

RECOMMENDATION E: STUDENT SERVICES STAFFING

It is recommended that the following formulae and related provisions be utilized in determining student services staff FTE and related funding:

1. *Staffing --*

$A + \left[B \times \left(\frac{C - D}{E}\right)\right] + F$ = *Student Services Staff FTE*

*A = Core student services staff comprised of:*

| | |
|---|---|
| *Dean of Students* | *1.0 FTE* |
| *Admissions/Registration* | *1.0 FTE* |
| *Counseling/Guidance* | *1.0 FTE* |
| *Job Placement* | *.5 FTE* |
| *Financial Aid* | *.5 FTE* |
| *Clerical/Support Staff* | *2.6 FTE* |
| | *6.6 FTE* |

*B = 1.1 FTE for each increment above the base enrollment level*

*C = Student FTE enrollment level in budget request year*

*D = Base enrollment level of 500 FTE students*

*E = Size of student FTE increments above the base enrollment level or 160 FTE students*

$\frac{C - D}{E}$ = *Number of student FTE increments above the base enrollment level*

*F = Indirect cost recovery staff FTE*

2. *Decisions concerning the mix of exempt, classified and hourly staff should remain the prerogative of the institutions.*

3. *Compensation --*

*(G x H) + (I x J) + (K x L) = Total Compensation*

*G = Number of exempt staff FTE determined from steps 1 and 2*

*H = Average compensation for exempt staff FTE at the college*

*I = Number of classified staff FTE determined from steps 1 and 2*

*J = Average compensation for classified staff FTE at the college*

*K = Number of hourly staff FTE determined from steps 1 and 2*

*L = Average compensation for hourly staff FTE at the college*

RECOMMENDATION F: LIBRARIES AND LEARNING MATERIALS

It is recommended that the

*The postsecondary education community's formula budgeting guidelines be used for the determination of library staffing and acquisitions and that total compensation reflect the exempt/classified/hourly staff mix and the prevailing average compensation levels at the particular college.*

RECOMMENDATION G: IMPLEMENTATION

It is recommended that

- *Each small college develop its own plan for implementing the above recommendations.*

# APPENDIX

## ILLUSTRATION OF FORMULA IMPLEMENTATION

This appendix is written to provide the reader with an example of how the small college recommendations would be implemented in the staffing areas of resident instruction, general administration and student services and for resident instruction travel. For purposes of the illustration, the following institutional characteristics are assumed:

| | |
|---|---|
| Enrollment size, Budget Request Year - Student FTE | 820 FTE |
| Distance from Denver | 150 miles |
| Appropriated staffing levels - Current Year: | |
| Resident Instruction Professional Staff | 45.5 FTE |
| General Administration | 8.0 FTE* |
| Student Services | 7.0 FTE* |
| Total Current Year Appropriations | $1,640,000 |
| Current Year Appropriation - Resident Instruction Travel @ $110 per FTE | $ 5,005 |
| Resident Instruction Professional Staff as determined from Formula Budgeting Guidelines | 40.0 FTE |

* Includes 1.0 FTE funded from indirect cost recoveries.

A. Resident Instruction Professional Staff

1. The recommended small college adjustment factor for the example institution is 118%. Therefore, formula implementation is as follows:

   Formula -- *A x B = Resident Instruction Professional Staff FTE*

   *A = 40.0 FTE*

   *B = 118%*

   40.0 FTE x 118% = 47.2 FTE

2. Based on the role and mission of the college and the related program offerings, the institution determined that of the 47.2 FTE, 37.8 FTE should be full-time.

3. In this instance, no "special" formula variations are requested.

4. Total Compensation: The average compensation levels for full-time and part-time staff at the college, based on an assumed 8% average compensation increase, would be $21,400 and $14,980 respectively. Therefore, the total compensation provided to the college via State appropriations would be determined as follows:

   Formula -- *(C x D) + (E x F) = Total Compensation*

   (37.8 FTE x $21,400) + (9.4 FTE x $14,980) = $949,732

B. Resident Instruction Travel

The formula for resident instruction travel is as follows:

$$A + [(B \times [C \times D]) \times E] = \textit{Resident Instruction Travel}$$

The recommended matrix is then utilized. For the example institution, the variables and resultant travel amount become:

$2,500 + [(120% x [$110 x 114%]) x 47.2 FTE] =
$2,500 + [(120% x $125.40) x 47.2 FTE] =
$2,500 + [$150.48 x 47.2 FTE] = $9,603

C. General Administration Staffing

1. Formula -- $A + \left[B \times \left(\frac{C - D}{E}\right)\right] + F = \textit{General Administration Staff FTE}$

$$7.0 \text{ FTE} + \left[.33 \text{ FTE} \times \left(\frac{\$1,640,000 - \$1,000,000}{\$100,000}\right)\right] + 1.0 \text{ FTE} =$$

7.0 FTE + [.33 FTE x 6.4] + 1.0 FTE =
7.0 FTE + 2.1 FTE + 1.0 FTE = 10.1 FTE

2. The institution determined that the exempt/classified/hourly staff mix should be as follows:

4.0 FTE Exempt staff
5.0 FTE Classified staff
1.1 FTE Hourly staff

3. Total Compensation -- The average compensation levels for the college, based on a 8% average compensation increase, would be as follows:

| | |
|---|---|
| Exempt staff | $29,425 |
| Classified staff | $12,840 |
| Hourly staff | $ 6,800 |

Based upon the above assumptions, the total compensation provided to the college via State appropriations would be determined as follows:

Formula -- $(G \times H) + (I \times J) + (K \times L) = \textit{Total Compensation}$

(4.0 FTE x $29,425) + (5.0 FTE x $12,840) + (1.1 FTE x $6,800) = $189,380

D. Student Services Staffing

1. Formula -- $A + [B \times (\frac{C - D}{E})] + F = Student\ Services\ Staff\ FTE$

$$6.6\ FTE + [1.1\ FTE \times (\frac{820-500}{160})] + 1.0\ FTE =$$

$$6.6\ FTE + [1.1\ FTE \times 2.0] + 1.0\ FTE =$$
$$6.6\ FTE + 2.2\ FTE \times 1.0\ FTE = 9.8\ FTE$$

2. The institution determined that the exempt/classified/hourly staff mix should be as follows:

4.0 FTE Exempt staff
4.0 FTE Classified staff
1.8 FTE Hourly staff

3. Total Compensation -- The average compensation levels for the college, based on a 7% average compensation increase, would be as follows:

| | |
|---|---|
| Exempt staff | $25,000 |
| Classified staff | $12,840 |
| Hourly staff | $ 6,800 |

Based upon the above assumptions, the total compensation provided to the college via State appropriations would be determined as follows:

Formula -- $(G \times H) + (I \times J) + (K \times L) = Total\ Compensation$

(4.0 FTE x $25,000) + (4.0 FTE x $12,840) + (1.8 FTE x $6,800) = $163,600

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